



Press Release

April 30, 2020

**2019 was a good year for CCR, which reported consolidated net income of €104 million**

**CCR Re outperformed its business plan, with a combined ratio of 98.1%**

**CCR decided to allocate 2019 net income to the newly launched State-guaranteed reinsurance scheme that covers credit insurance risks and supports French SME's**

CCR's 2019 financial statements were approved for publication by the Board of Directors which convened on April 29, 2020. Right after the meeting, Board Chairman Pierre Blayau said:

*“CCR delivered a very satisfactory performance in 2019. Consolidated premium income was up 10% at €1,507 million and consolidated net income came in at €104 million. Administrative expenses were kept under control and the investment portfolio performance improved.*

*Public reinsurance regime of natural disaster risks once again shown its criticality, with 2019 extending a three-year run of high NatCat losses.*

*Within the Group, CCR Re continued to grow, reporting gross written premiums of €562 million (up 21%) and current income before equalization reserve of €56 million (up 23%). With a combined ratio of 98.1%, CCR Re outperformed its business plan objective. I would like to congratulate the Chief Executive Officer and his teams for this performance.*

*Today, more than ever, CCR is contributing to France's resilience during the exceptionally difficult period we are going through. Alongside French Treasury, we played a very active role in launching a state-guaranteed reinsurance scheme that covers credit insurance risks. And we also decided to allocate CCR 2019 net income to funding this system, rather than paying a dividend as originally planned.”*

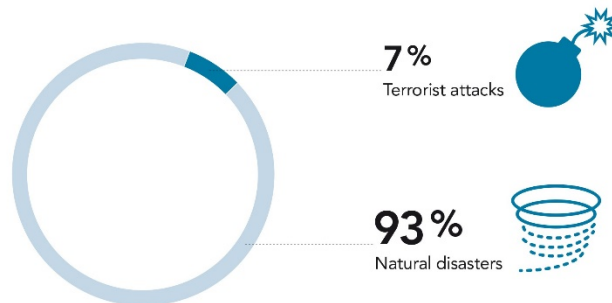
\*

CCR Group had €1,507 million in consolidated premium income and €104 million in consolidated net income in 2019. The Company contributed €67 million to consolidated income and CCR Re contributed €35 million (before consolidation adjustments).

## CCR – Public reinsurance

France was hit by a string of natural disasters in 2019. In its role as public reinsurance company, CCR recorded €766 millions of claims in respect of these events.

✓ The Company's premium income came to €945 million, up 4.0% compared to 2018. This amount breaks down as follows by business line:



✓ Natural disasters were a frequent occurrence in 2019. France was hit by a number of natural disasters in 2019. These included severe drought conditions in a third of the country, floods in the Occitanie region (October), in the Cévennes region (November and December) and in the South-West (December), the earthquake in Le Teil, in the Rhone valley (November), and various other events with less serious consequences. The total cost of these events for the Company is estimated at €766 million.

✓ Investment income amounted to €97 million, representing a return on investment of 1.5%. CCR assets reached a market value of €8.2 billion at December 31, 2019. The increase of nearly €460 million compared with the previous year-end reflected both financial markets moves over the year as well as positive cash flows as opposed to 2018, when significant payouts were made following the Irma and Maria hurricanes.

✓ The cost ratio improved to 2.0% from 2.4% in 2018. The Company kept up its drive to optimize and contain overheads, while continuing to invest in climate-related R&D.

✓ CCR net income amounted to €67 million.

✓ The Company's capital base (shareholders' equity and equalization reserve) was increased to €4.4 billion at December 31, 2019.

- ✓ With these reserves, CCR will be able to cover market NatCat losses up to €4.5 billion before calling on State guarantee.

(€m)	2018R	2019R
Gross written premiums	908	945
Cost ratio	2.4%	2.0%
Net combined ratio	95.1%	96.3%
Return on investment	1.8%	1.5%
Net income for the year	147	67
Shareholders' equity <sup>(1)</sup> and equalization reserve <sup>(2)</sup>	4,301	4,381

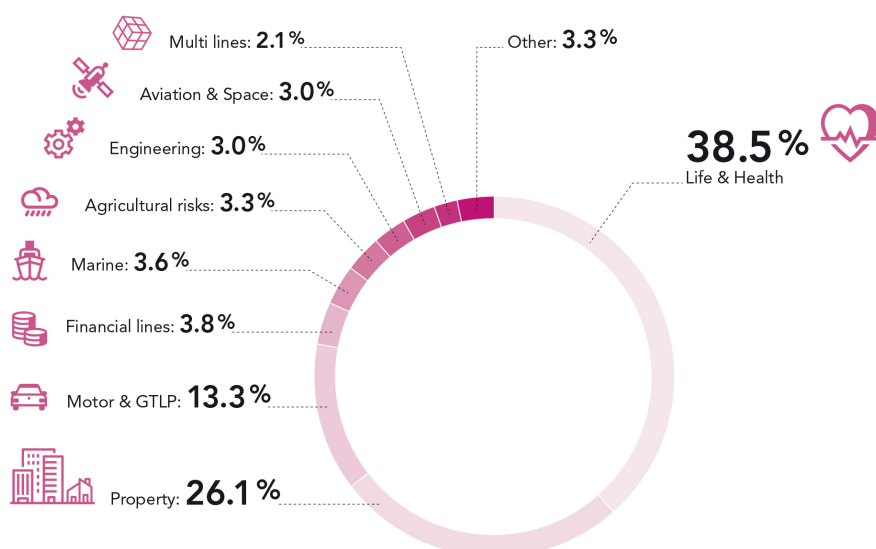
(1) Shareholders' equity before appropriation of profit

(2) Equalization reserve pursuant to Articles R.343-8 and R.431-27 of the French Insurance Code

## CCR RE

CCR Re maintained its record of profitable growth, reporting an increase in premium income (up 21%), an improvement in the Non-Life combined ratio (98.1%) and stable net income (€35 million).

- ✓ Gross written premium totaled €562 million, up 21% compared with 2018 (including 18% growth at constant exchange rates). The business mix was as follows:



- ✓ Portfolio profitability continued to strengthen during the year. Non-Life combined ratio improved significantly, falling to 98.1% despite significant Nat Cat loss ratio, as was the case in 2018, especially in Japan. Life reinsurance margin amounted to 5.2%.

The overall return on investment reached 2.7%. The portfolio market value amounted to €2.5 billion at December 31, 2019, up by some €190 million (+8%) compared with the previous year-end.

- ✓ CCR Re cost ratio improved to 5.5% in 2019.
- ✓ Current income before equalization reserve amounted to €56 million, up 23% on 2018.
- ✓ CCR Re's net income was €35 million, after deducting tax at the effective rate of 39%. In 2018, the effective rate was 0% due to the tax treatment of unrealized gains and losses on mutual funds.
- ✓ At 185%, the subsidiary's solvency coverage ratio at December 31, 2019 was within the optimal range of [180%-220%] established by the Risk Appetite Framework.

(€m)	2018R	2019R
Gross written premiums	464	562
<i>Year-on-year change (%)</i>	+17%	+21%
Cost ratio	5.9%	5.5%
Life technical margin	6.3%	5.2%
Net combined ratio	99.4%	98.1%
Return on investment	2.4%	2.7%
Current income before equalization reserve	46	56
Net income for the year	35	35
<b>Solvency coverage ratio (Solvency II)</b>	<b>189%</b>	<b>185%</b>

Cost ratio: ratio of management expenses net of investment expenses and net of taxes on the one hand, and written premiums gross of retrocession on the other.

Life technical margin: ratio, for life business, of the sum of technical result and interest on cash deposits on the one hand, and the total earned premiums net of retrocession on the other. 2018 technical margin pro forma.

Net combined ratio (CCR RE): ratio, for non-life business, between the net claims expense excluding variation in the equalization reserve and expenses incurred net of investment expense (including commissions) on the one hand, and net earned premiums on the other.

Net combined ratio (CCR): ratio between the net claims expense including variation in the equalization reserve and expenses incurred net of investment expense (including commissions) on the one hand, and net earned premiums on the other.

Return on investment: ratio between net investment income on the one hand, and outstanding investments on the other hand, excluding cash deposits, real estate for one use and financial expenses due to the subordinated loan. 2018 return pro forma.

Current income before equalization reserve: current income before variation in the equalization reserve.

## Financial information

The financial statements were approved for publication by the CCR Group's Board of Directors on April 29, 2020. The CCR Group's statutory auditors have completed their audit of the financial statements.

Media contacts:

Vincent Gros – General Secretary + 33 (0)1 44 35 38 36 - [vgros@ccr.fr](mailto:vgros@ccr.fr)  
Sophie Bodin – DGM Conseil + 33 (0)1 40 70 11 89 – [s.bodin@dgm-conseil.fr](mailto:s.bodin@dgm-conseil.fr)



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